

RECORD OF PROCEEDINGS

The regularly scheduled meeting of the Colorado Racing Commission was held on Tuesday, May 12, 2015 at 1881 Pierce Street in Conference Room 110, Lakewood, Colorado. Chairwoman Mary Sharon Wells called the meeting to order at 9:35 a.m.

Members Present

Mary Sharon Wells, Chairwoman
Sean Beirne, Vice-Chairman
Charles Vail, DVM, Member
Cindy Day, Member

Commissioner Pam Inmann was excused from the meeting.

Staff Present

Dan Hartman, Director, Division of Racing Events
Mark Brown, Agent-in-Charge/Enforcement Supervisor
Robert "Duke" Mann, Presiding Steward
Violet Smith, State Steward
Charmaine Rose, Assistant Attorney General representing the Division of Racing Events
Sherry Gunnell, Assistant to the Division Director

Also Present

An attendance sheet is attached hereto and made a part of these minutes.

Approval of Minutes of March 10 and April 1, 2015

After establishing via a roll call that a quorum of Commission members was present, a motion was made by Commissioner Day, seconded by Commissioner Vail and unanimously carried to approve the minutes of March 10, 2015 and April 2, 2015 as submitted.

Observations Regarding 2015 Association of Racing Commissioners International Spring Convention

Mr. Mark Brown, the Racing Division's Agent-in-Charge; Ms. Mary Sharon Wells, Chairwoman of the Racing Commission; Mr. Shannon Rushton, Executive Director of the Colorado Horse-Racing Association; and Mr. Bruce Seymore, Executive Director of Colorado Operations for Mile High Racing and Entertainment shared their thoughts and opinions regarding the 2015 Annual Association of Racing Commissioners International Spring Convention and Conference on Racing and Wagering Integrity that was held from April 21-23, 2015 in Tampa Bay, Florida. Each attendee commented upon the very informative meetings and presentations.

Chairwoman Wells observed that the focus of the entire Conference had been upon the health and welfare of the racehorse. Attendees mentioned the Conference's emphasis on veterinary science; presentations regarding different types of drugs/medications currently in use, including cobalt; panel discussions concerning medication and zero tolerance levels; along with multiple references to the value of and benefit derived from the equine welfare panel discussion. Mr. Brown and Chairwoman Wells expressed their appreciation for the opportunity to attend and participate in this Convention.

Commission Chairwoman Wells noted that she and Commissioner Inmann had especially enjoyed their excursion to and tour of the grounds and facilities at the Tampa Bay Racetrack.

Consideration of Request for Early Distribution of Portion of Owners/Breeders Awards Funds and Supplemental Purse Fund Monies – Colorado Thoroughbred Breeders' Association

In the absence of Ms. Pam Kilgore, Auditor for the Division of Racing Events, Mr. Dan Hartman, Director of the Division of Racing Events, informed the Commission that, in accordance with and as permitted by statute, the Colorado Thoroughbred Breeders' Association had submitted a formal written request for early release of \$156,000, a portion of their Owners/Breeders Awards and Supplemental Purse Fund accrual for the purpose of supplementing their Colorado Bred Stakes schedule at Arapahoe Park in 2015. Mr. Mark McGregor, President of the Colorado Thoroughbred Breeder's Association, was present to represent the organization's request.

Mr. Hartman explained that, by Rule, no breed organization may request more than 80% (eighty percent) of its total accrual. He stated that Ms. Kilgore had itemized the amounts accrued by the Colorado Thoroughbred Breeders' Association during the period of January through February 2015 and had been confident that sufficient funds would be available for the requested amount of \$156,000 to be distributed to the Colorado Thoroughbred Breeders' Association. The Commission took notice that Ms. Kilgore would perform an additional audit of the purse fund monies in order to confirm that the requested amount would be available for distribution as soon after July 1, 2015 as possible.

A motion was made by Commissioner Vail, seconded by Commissioner Beirne and unanimously carried to authorize early distribution of \$156,000 to the Colorado Thoroughbred Breeder's Association after July 1, 2015 contingent upon the performance by Ms. Kilgore of a second audit to confirm the availability of funds.

Consideration of Applications for Release of Monies from the Greyhound Welfare and Adoption Fund – Pam Kilgore

In the absence of Ms. Pam Kilgore, Auditor for the Division of Racing Events, Mr. Dan Hartman, Director of the Division of Racing Events, reported that the Division received four applications for the release of money from the Greyhound Welfare and Adoption Fund. He observed that the requesting organizations are: 1) Colorado Greyhound Adoption; 2) Friends of Retired Greyhounds; 3) Greyhound Connection; and 4) Rocky Mountain Greyhound Adoption, Inc. Mr. Hartman advised that he and Mr. Kilgore had reviewed each of the subject applications. He apprised the Commission that, currently, there is approximately \$40,000 in the Fund.

Mr. Hartman explained that, based upon the distribution methodology discussed and adopted by the Commission in May 2013, each organization is reimbursed based upon the number of greyhounds that it has placed during the six-month application period divided into the available amount of fund money. She stated that, during the subject six-month period, a total of 304 greyhounds were placed by the applicants. This would mean that the organizations would receive \$131.58 per placed greyhound ($\$40,000/304=\131.58).

Mr. Hartman reflected that the Commission had previously discussed the possibility of funding “special needs” greyhounds. He advised that six “special needs” greyhounds had been adopted during the subject six-month period. Mr. Hartman recommended that, in approving future distribution requests, the Commission give extra consideration to the amount of time and expense that certain organizations must absorb while caring and arranging adoptions for “special needs” greyhounds.

Mr. Hartman advised that, before distribution of funds would be made, the Division would again review the paperwork from the requesting organizations to ensure that accurate numbers had been reported and used in all calculations. Further, he stated that, since the Division is no longer requiring the requesting organizations to submit receipts as part of their application documentation, Division investigators have been granted authorization to conduct on-site inspections and verifications of each organization’s adoption reports and records.

In response to Commissioner Beirne’s inquiry, Mr. Hartman stated that, although Front Range Greyhound Adoption had not submitted an application and request for release of funds this time, it intends to do so in the future.

Mr. Hartman confirmed that all of the subject applications meet the criteria set forth in the Commission’s rule(s). In the applications, Colorado Greyhound Adoption had requested \$20,000 and Rocky Mountain Greyhound Adoption, Inc. requested \$5,500, but Friends of Retired Greyhounds and the Greyhound Connection did not request specific amounts. Notice was taken that, all of the requesting organizations had previously received Fund money. Further, notice was taken by the Commission that each of the organizations is currently licensed by the Division of Racing Events.

Mr. Hartman stated that the Division of Racing Events would recommend that the Commission approve the following disbursements totaling \$40,000 from the Greyhound Welfare and Adoption Fund and, also, would recommend that the placement of the six “special needs” greyhounds be recognized:

- To Colorado Greyhound Adoption: \$10,000.00
- To Friends of Retired Greyhounds: \$ 9,868.00
- To Greyhound Connection: \$17,237.00
- To Rocky Mountain Greyhound Adoption, Inc.: \$ 2,895.00

TOTAL	\$40,000.00
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In accordance with existing protocols, the Commission emphasized that all fund recipients would be required to submit the following information/documentation to the offices of the Division of Racing Events for subsequent Commission review: 1) a preliminary report specifying how the organization intends to utilize the subject funds; and 2) subsequent to expending the funds, a follow-up accounting that reflects how the money allotted to the organization was used.

After ascertaining that there were no further comments to be made, a motion was made by Commissioner Day, seconded by Commissioner Vail and unanimously carried to release \$10,000.00 to Colorado Greyhound Adoption; \$9,868.00 to Friends of Retired Greyhounds; \$17,237.00 to Greyhound Connection; and \$2,895.00 to Rocky Mountain Greyhound Adoption, Inc., which totals \$40,000.00, with the proviso that each organization is to provide preliminary and follow-up reports relating to the use of the subject funds and, further, that, for the purpose of verifying the accuracy of its reported adoption totals, each organization is required to undergo an inspection of its adoption reports/records by Division investigators prior to the release of funds from the Greyhound Welfare and Adoption Fund.

Mr. Hartman commended the greyhound welfare and adoption organizations and acknowledged that they deserve to receive compensation for their outstanding work and service. No further action was taken at this time.

Consideration of Proposed “Colorado Division of Racing Events Estimated Therapeutic Medication Withdrawal Times” and Association of Racing Commissioners International Environmental Substances Schedule – Dan Hartman

Mr. Dan Hartman, Director of the Division of Racing Events, presented to the Commission for its review and discussion the proposed Estimated Therapeutic Medication Withdrawal Times and the Association of Racing Commissioners International Environmental Substances Schedule for Arapahoe Park’s 2015 live racing season. He advised that the document is very similar in content to the one approved by the Commission for last year’s Arapahoe Park live race meet with no changes having been made to the proposed withdrawal time frames. He reported that the only modifications to the 2015 rosters are the addition of one medication, Isoflupredone, and

one environmental contaminant, Cobalt. Thereupon, Mr. Hartman recommended adoption of the “Colorado Division of Racing Events Estimated Therapeutic Medication Withdrawal Times” and Association of Racing Commissioners International Environmental Substances Schedule for the 2015 live racing season.

The Commission inquired whether practicing veterinarians at Arapahoe Park had been afforded the opportunity to review and comment on the subject document. Mr. Hartman stated that he had discussed the schedules with some veterinarians who would be practicing at Arapahoe Park this season, noting the subject rosters would be made part of the Horse Information Packet provided to all licensees, including practicing veterinarians, at the racetrack. Further, the Commission asked Mr. Shannon Rushton, Executive Director of the Colorado Horse-Racing Association (CHA), whether the CHA had approved the subject rosters. Mr. Rushton stated that, typically, after the document in question has been approved by the Commission, it is then provided to the CHA membership for its consideration. He stated that, at the present time, he could not comment on the CHA’s position concerning the subject document.

Commission Chairwoman Wells emphasized that the amounts and withdrawal time frames reflected on the subject rosters are only meant to serve as recommendations, not threshold levels. A motion was made by Commissioner Vail, seconded by Commissioner Beirne and unanimously carried to approve the proposed Estimated Therapeutic Medication Withdrawal Times for 2015 and the ARCI Environmental Substances Schedule and to direct that this document be distributed to all racing participants at Arapahoe Park.

Consideration of 2015 Renewal Application – Arapahoe Park’s Live Race Meet – Mark Brown

Mr. Mark Brown, Acting Racing Coordinator, presented his report regarding Arapahoe Park’s 2015 renewal application. Mr. Bruce Seymore, Executive Director of Colorado Operations for Mile High Racing and Entertainment, and Mr. William Powers, Arapahoe Park’s Property Facility Manager/Director of Racing, appeared on behalf of the Racing Association.

Mr. Brown stated that, on February 25, 2015, the Division of Racing Events had received a Class B Horse Racing renewal license application for its 2015 live race meet at Arapahoe Park signed by the Director of Racing Operations-Colorado, Bruce Seymore, representing Racing Associates of Colorado, Ltd., doing business as Arapahoe Park. He reported that he had reviewed the application and had found that the required information and exhibits requested in the application had either been received by the Division or would be submitted as mandated. Further, he stated that any inspections required by regulation or statute have already been conducted or are in the process of being scheduled.

Mr. Brown explained that Arapahoe Park intends to conduct a thirty-nine (39) day live race meet beginning on Friday, May 22, 2015 and concluding on Sunday, August 16,

2015, with live performances to be offered on Friday, Saturday and Sunday throughout the meet, including three special programs to be conducted on Monday, May 25, 2015 (Memorial Day observance), and on Thursday, June 25th and Thursday, July 30th to compensate for the closure of the racetrack during an air show to be held the weekend of May 29-31, 2015. Additionally, the Commission noted that Arapahoe Park intends to offer at least nine races per day with a 1:00 p.m. post time on all live race days as well as full simulcast race cards from numerous venues throughout the season. Mr. Brown stated that Arapahoe Park proposes to offer diverse racing programs composed of Thoroughbred, Quarterhorse and Arabian races.

The Commission took notice that Arapahoe Park would be sending its live signal to the twelve (12) in-state simulcast facilities, including the newly opened Wildwood Casino Off-Track Betting Facility in Cripple Creek and The Starting Gate at the Cow Palace Off-track Betting Facility in Lamar, as well as to numerous out-of-state venues. Mr. Brown advised that Division representatives had inspected and approved each of the in-state simulcast facilities listed on the renewal application. Additionally, notice was taken that some contracts with out-of-state associations and simulcast providers are still in the process of being negotiated. It was acknowledged by the Commission that Arapahoe Park would need to notify the Division and seek approval of any future export contracts and agreements with out-of-state associations and simulcast providers forty-eight (48) hours prior to sending/receiving a simulcast signal. Further, the Commission noted that the Division had received a copy of the agreement from the Colorado Horse Racing Association endorsing Arapahoe Park's request to send its signal out-of-state. Notice was taken that Arapahoe Park intends to simulcast out-of-state horse races into Colorado seven (7) days a week on both its live and non-live race days. Notice was also taken that a copy of the agreement between the Colorado Horse Racing Association and Arapahoe Park giving approval for and support of Arapahoe Park's intention to send its signal to out-of-state locations was provided to the Division.

Mr. Brown reviewed the proposed purse structure and wagering format and called attention to modifications to Arapahoe Park's proposed takeout rates for this season. He advised as follows: for all Win, Place and Show wagers (minimum \$2.00 wagers), the take-out rate would be 19% instead of the previous rate of 18.5%; for the Daily Double, Exacta and Quinella wagers (minimum \$1.00 wagers), the take-out rate would be 24% instead of the previous rate of 23%; and for the Trifecta, Superfecta and Pick 3 wagers (minimum \$1.00 wagers), the take-out rate would be 25% instead of the previous rate of 24%. Mr. Seymore stated that these increases in take-out rates were monetarily necessary.

Mr. Brown advised that all of the listed racing officials had previously served in the positions that they would hold this season. Discussion ensued regarding the retention of Mr. Gary Riggs as the Paddock Judge/Identifier. The Commission expressed concerns regarding Mr. Riggs' continued employment in these positions based upon his inaccurate identification of a horse that had been allowed to race during the 2014 race meet. The Commission inquired of Mr. Seymore his reasons for retaining Mr. Riggs as the Paddock Judge/Identifier. Mr. Seymore assured the Commission that he was confident that Mr.

Riggs could be relied upon to perform his duties in an outstanding manner and that Mr. Seymore did not believe that there would be a recurrence of last year's mistake, noting that Mr. Riggs was fully aware of the consequences that would result from another such mishap. Further, Mr. Seymore observed that Mr. Riggs was very experienced and had served as the Paddock Judge/Identifier for many years at Arapahoe Park and was highly respected by members of the horse-racing community at the racetrack. Additionally, Mr. Shannon Rushton endorsed Mr. Riggs' retention, noting that he had assisted members of the horse-racing community in numerous ways that were above and beyond his regularly-assigned duties and responsibilities, such as visiting barns/stables to inspect and identify horses that were difficult to handle. Mr. Rushton observed that Mr. Riggs was not solely responsible for last year's misidentification and other persons, including the trainer of the horse in question, had contributed to the resultant error. Mr. Dan Hartman, Director of the Division of Racing Events, acknowledged that a similar mistake had occurred once many years ago during a greyhound race meet and that the Board of Judges had been sanctioned with penalties being imposed, but held in abeyance. Mr. Hartman stated that no other incidents of this nature had subsequently occurred. The Commission commented that it was incumbent upon them that this matter be discussed. Commissioner Vail stated that he was satisfied with the views and opinions expressed by Mr. Seymore and Mr. Rushton and would willingly approve Mr. Riggs' continued employment as the Paddock Judge/Identifier. Commissioner Beirne stated that he has serious reservations about approving the retention of Mr. Riggs in these positions, but would not object to granting approval of the race meet application for licensure.

Additionally, Mr. Brown thanked Mr. Powers and Mr. Bruce Seymore, Executive Director of Colorado Operations for Mile High Racing and Entertainment, for making significant upgrades and improvements to the Division offices.

It was noted in Mr. Brown's report that "Mile High USA, Inc." had been organized as a corporation under the laws of the State of Delaware on December 8, 1989 and that the company is a wholly owned subsidiary of the Twin River Management Group, Inc. Further, he stated that Mile High USA, Inc. owns 100% of Racing Associates of Colorado, doing business as Arapahoe Park Racetrack in Aurora, Colorado. Mr. Hartman observed that Racing Associates of Colorado was organized as a limited partnership under the laws of the State of Colorado on March 8, 1991 and that the ownership of Racing Associates of Colorado, Ltd. complies with Colorado Racing Statutes.

The Commission took notice that the consolidated financial statements for Mile High USA, Inc., doing business as Racing Associates of Colorado Ltd. had been submitted to the Division of Racing Events with Arapahoe Park's 2015 renewal license application and that Division Auditor Pam Kilgore and Commissioner Pam Inmann had reviewed the subject documents and had found them to be complete, in order and prepared in accordance with generally accepted accounting principles. Further, notice was taken that Twin Rivers Management Group, which owns 100% of Mile High USA, Inc. would be overseeing the Racing Association's financial matters.

Notice was taken by the Commission that the following required exhibits had either been submitted with the renewal application or would be provided in a timely manner:

- An insurance binder for on-track accident coverage for the jockeys has been submitted;
- A copy of the current proof of adequate public liability insurance coverage to protect the public was also provided. However, since the expiration date on the Certificate of Insurance is July 1, 2015, a copy of the renewal contract must be submitted upon issuance;
- A current fire inspection report was submitted and no major issues were reported. Any subsequent fire inspection reports must be provided to the Division when issued;
- Current health/sanitation inspection reports for Arapahoe Park and each of its in-state simulcast facilities have not yet been received by the Division. These reports for Arapahoe Park and all affiliated in-state off-track wagering facilities must be submitted to the Division no later than five days prior to the opening of the meet;
- Copies of the most recent contracts between the Association and its service providers for video patrol, photo finish and totalisator services, products and materials have been provided for the upcoming race meet; and
- A copy of the Horsemen's Contract between the Colorado Horse Racing Association and Arapahoe Park, effective through April 20, 2016, was submitted with the application.

A surety bond to cover the Horsemen's Bookkeeper will not be required for the 2015 race meet. Mr. Hartman commented that the Division would release purse funds from the Escrow Account throughout the race meet upon the Association's request in order to satisfy the purse money owed and, in the event that any derogatory actions are subsequently brought against the Horsemen's Bookkeeper, the Commission would have the ability to reinstate the bond requirement on the Horsemen's Bookkeeper Account.

Mr. Brown informed the Commission that Arapahoe Park had complied with all recommendations and conditions for relicensure included in the 2014 Arapahoe Park End of Meet Report.

Notice was taken that the following requirements would remain in effect during the 2015 live race meet:

REQUIREMENTS REGARDING THE RACETRACK SURFACE:

- That the Track Superintendent position will be the only racing official position held by the licensee.
- Notice was taken that Soil & Plant Laboratory, Inc. performed a favorable soil analysis on February 10, 2015. The racing surface must be consistently prepared and maintained throughout the meet.

REQUIREMENTS FOR THE RACING OFFICE:

- That the Racing Office will ensure that only authorized persons be allowed behind the counter during entries. All access(es) to the Racing Office's restricted areas will have locking device(s) in place during entries. The Racing Secretary will ensure that all visitors to his office be escorted.
- That the Racing Office will maintain and post to the licensees the written schooling lists for the Starter, Paddock, Stewards and Veterinarian.
- That the Racing Secretary will continue to train and supervise Racing Office staff in the proofing of the entries, especially entries made by Jockey Agents.

REQUIREMENTS CONCERNING THE SECURITY DEPARTMENT:

- That Arapahoe Park's security director, Keith Munson, will be responsible for supervising and managing the security staff of the stable gate, the stable/barn area backside, the Division's test barn and the grandstand. The Security Director will instruct all security staff to attend training from the Division enforcement personnel and other sources that management deems necessary to enforce Colorado Racing Commission Rules and policies for the admittance of horses into the Stable Area and to provide a safe environment for the licensees and patrons.
- That the Division of Racing will provide a Compliance Investigator to assist with the intake of horses, the preparation of associated paperwork and the facilitation of access to the restricted stable area;
- That Arapahoe Park will continue to employ an off-duty sheriff's deputy on live race days; and
- That Arapahoe Park will provide a radio for the Stewards' office during training hours in order to help them monitor the training activities on the racetrack that include workouts, removal of horses from the Stewards' list and the qualifying of licensees for exercising and ponying horses.

Mr. Brown concluded his report by stating that the application of Racing Associates of Colorado, Ltd. (Arapahoe Park) 2015 Live Race Meet Renewal Application appears to comply with the Colorado Revised Statutes and the Colorado Racing Commission Rules and therefore, the Colorado Division of Racing Events would recommend approval of a Class B license for Arapahoe Park subject to the following additional conditions:

1. Successful completion and compliance with a comprehensive pre-meet facility inspection by the Division of Racing Events;
2. That, in the event that a vacancy occurs among the Racing Officials for longer than one racing day, the Association shall fill the vacancy with an official approved by the Division and shall notify the Division in writing of the substitution prior to making the change;

3. That Arapahoe Park will continue to ensure that its public liability insurance policy is in effect and will provide a copy of the renewed Certificate of Insurance to the Division on or before its July 1, 2015 expiration date;
4. That Arapahoe Park will submit copies of all intrastate simulcast contracts and/or agreements entered into by the applicant to the Division no later than five days prior to receipt of the simulcast signal;
5. That any additional certified health/sanitation inspection reports received for Arapahoe Park and its In-State Facilities will be provided to the Division when completed;
6. That the Association shall provide copies of all new service contracts, which are not presently on file with the Division, no later than five days prior to the commencement of the meet; and
7. That the Commission may determine, in its discretion, that additional conditions need to be imposed at this time or at any time during the live meet.

Following review and discussion, a motion was made by Commissioner Vail, seconded by Commissioner Day and unanimously carried to approve Arapahoe Park's 2015 renewal application to operate as a Class B racetrack during the period specified in the application; to approve the retention and hiring of all Racing Officials noted in the renewal license application; to approve the take-out rates as specified in Arapahoe Park's renewal application; and to make this approval contingent upon satisfaction of the conditions set forth in this report and included in the following Notice of Issuance of Meet License with Conditions.

Subsequent to the meeting, the Notice of Issuance of Meet License with Conditions was issued and provided to Arapahoe Park's management in accordance with the Commission's motion:

BEFORE THE COLORADO RACING COMMISSION

STATE OF COLORADO

NOTICE OF ISSUANCE OF MEET LICENSE WITH CONDITIONS

IN THE MATTER OF THE ISSUANCE OF A MEET LICENSE FOR:
RACING ASSOCIATES OF COLORADO, LTD. DBA ARAPAHOE PARK
26000 EAST QUINCY AVENUE
AURORA, COLORADO 80016

Pursuant to Colorado Revised Statute 12-60-505, the Colorado Racing Commission has reviewed and conducted a public meeting concerning the application for a race meet license.

The Colorado Racing Commission finds the application to be acceptable and orders said meet license to be issued to:

Racing Associates of Colorado, Ltd. d.b.a. Arapahoe Park
26000 East Quincy Avenue
Aurora, Colorado 80016

with the following conditions:

1. This approval is granted from the opening day of the live race meet, which is May 22, 2015 through the closing day of the meet, which is August 16, 2015 for an envelope of thirty-nine days. The following racing schedule was requested by the Association and approved by the Commission: Friday, Saturday and Sunday: nine (9)-race matinee performances per day. Additionally, a nine (9)-race matinee program is to be conducted on Monday, May 25, 2015 (Memorial Day observance). Included in the envelope are two nine (9)-race matinee programs that will be conducted on Thursday, June 25 and Thursday, July 30, 2015 to compensate for the lack of racing from Friday, May 29, 2015 through Sunday, May 31, 2015. The meet shall be a mixed meet consisting of Thoroughbreds, Quarterhorses and Arabians.

That, prior to any modification being made to Arapahoe Park's approved nine-race program schedule, a request must be submitted in writing to the Director of the Division of Racing Events or his designee for his consideration.

2. The Association shall keep in force at all times a public liability insurance policy. Although a copy of the current proof of adequate public liability insurance was included with the renewal application, the expiration date of the Certificate of Insurance is July 1, 2015. A copy of the renewal contract must be submitted to the Division as soon as it is re-issued.
3. The Association shall keep in force adequate insurance coverage for the protection of the Jockeys. A copy of the insurance binder for on-track accident coverage for the Jockeys was submitted with the application. (NOTE: It is essential that the Association provide appropriate notice to all Exercise Riders and Pony Persons, because they are considered independent contractors, that they must obtain their own insurance coverage.)
4. All employees shall be properly licensed prior to conducting any activities. In addition, all Association Racing Officials, including replacement officials, must be approved by the Division of Racing Events prior to conducting any activities. Their names are to be submitted for approval no less than three (3) days before the commencement of the race meet. Any currently vacant racing official positions shall be filled no later than five days (5) prior to the commencement of the meet. (If a vacancy occurs among the Racing Officials for a period of longer than one racing day, the Association shall fill the vacancy with an official

approved by the Division and shall notify the Division in writing of the substitution prior to the change.) Additionally, the Division, Arapahoe Park management and the Board of Stewards will be working with the Racing Officials to ensure that their duties are performed in a professional and safe manner. The Division will monitor the performance of employees new to their positions throughout the 2015 live race meet.

The Track Superintendent position will be the only racing official position held by the licensee.

Arapahoe Park will provide a radio for the Stewards' office during training hours in order to assist them in monitoring the training activities on the racetrack, including workouts, removal of horses from the Stewards' List and the qualifying of licensees for exercising and ponying horses.

5. A list of all Association employees not listed as Racing Officials shall be submitted to the Division no later than ten (10) days after the opening of the meet.

A list of all security staff, including copies of their qualifications and firearm certificates, shall be kept on file in the Division of Racing office at Arapahoe Park.

6. All monies derived from live race monies due for horse purses shall be deposited by the licensee directly into the horsemen's purse account. All horsemen's nominations and sustaining fees shall be handled through the Horsemen's Bookkeeper account.

All monies due from simulcast races due for horse purses shall be deposited by the licensee in a "Colorado Racing Association Escrow" trust account in a commercial bank located in Colorado until such date as the purse funds are paid to the horse owners or to the host track for payment to the horse owners. The moneys deposited in any such trust account shall be invested in a fund that invests in obligations of the United States Government with maturities of less than one year or that is account insured in full by an agency of the Federal Government. All trust accounts shall be interest-bearing accounts with the interest payable as horse purses.

The Association shall make a full accounting to the Department of Revenue through the Division each week of all amounts due purse funds from simulcast and live races and paid out from the purse funds as specified by Statute and contracts.

The Association shall also make a full accounting to the Department of Revenue through the Division each week of all amounts due to the Greyhound Welfare and Promotion Fund.

7. All funds due Colorado State University for allocation to its School of Veterinary Medicine shall be paid weekly with a full accounting to the Colorado Racing Commission yearly.

8. The facility shall meet the “Totalisator Standards” as adopted by the Commission.
9. All required facility improvements deemed necessary for the protection, health and safety of the public, the Division of Racing Events’ employees and the race participants shall be completed prior to opening. Successful completion and compliance with a Division pre-meet inspection of the facility is required.
10. The Association shall have a fully operational totalisator system (tested and approved at least three (3) days prior to start of wagering on live races) capable of:
 - a. Handling pari-mutuel wagers on horse races;
 - b. Producing CRC reports on a timely basis; and
 - c. Common pool wagering on both an intrastate and interstate level.
11. Any change from the approved simulcast schedule for each in-state and out-of-state simulcast facility, which the Association proposes to simulcast from or to, including its live races, shall be approved by the Division of Racing Events prior to any simulcasting activity at such simulcast facility. All simulcast contracts must specify how purse percentages are to be calculated. The Commission delegates to the Director or his designee the ability to approve schedules for pre-approved tracks when a specified envelope is determined.

Copies of all intrastate simulcast contracts and/or agreements entered into by the applicant will be submitted no later than five (5) days prior to the beginning of the simulcast signal.
12. Current certified fire and health/sanitation inspection reports for Arapahoe Park and all in-state simulcast facilities that have not already been received by the Division must be submitted to it no later than five days prior to the commencement of Arapahoe Park’s live meet. (In the event that additional wagering facilities are to be opened during Arapahoe Park’s upcoming race meet, they are subject to this requirement no later than five days prior to opening.) Any additional health and sanitation reports received for Arapahoe Park and its in-state facilities will be provided to the Division when completed.
13. It is acknowledged that approval of the renewal application and simulcast race programs shall be subject to the continuation of an appropriation by the Colorado Legislature for the Commission to have funding and spending authority for its fiscal year 2015/2015 and subsequent budget years.
14. To permit the Division to coordinate staffing for simulcast programs, the applicant shall provide the Commission with all modifications to its simulcast program as approved by the Commission one week prior to the proposed modifications.
15. That copies of all new service contracts that are not presently on file with the Division shall be submitted no later than five days prior to the opening of the meet.
16. That Arapahoe Park and its facilities comply with the Division of Racing Events’ Video Surveillance Policy throughout the 2015 Arapahoe Park race meet.

17. That the Stable Superintendent shall make every effort to ensure that all horses entering the grounds at Arapahoe Park shall have a current health certificate signed by a Veterinarian.
18. The Racing Secretary shall require that all horses entering the grounds at Arapahoe Park, whether from within or outside of Colorado, have a current Coggins Test (within the previous twelve ((12)) months).

The Racing Secretary will continue to train and supervise racing office personnel in the proofreading of the entries.

Racing office personnel will maintain and post to the licensees the written schooling lists for the Starter, Paddock, Stewards and Veterinarian.
19. The Association will oversee and ensure that the mandated times of closure of the Stable Gate entrance to vehicle traffic are maintained. However, certain limited exceptions, such as an emergency call by a veterinarian, will be allowed. Exceptions will only be permitted on a case-by-case basis.
20. The Racing Secretary and/or Stable Superintendent shall be responsible for the arrival and departure of all horses from the premises and maintain records for the Division's inspection.
21. Arapahoe Park will make arrangements to satisfy the Colorado Racing Commission and the Division in providing an adequate water supply to the racetrack, stable area and grandstands at all times.
22. That the walking surface must be completed with the installation of new dirt and ground rubber to repair ruts and soften the walking surface for the horses and their handlers. Further, as part of its required test barn maintenance, Arapahoe Park is to continue to monitor the performance of the Misting System to ensure that it is effective in cooling the testing stalls and continue to maintain proper water drainage behind the wash rack areas.
23. That, when entries are being taken, only authorized persons are allowed to be behind the counter of the Racing Office. Further, all accesses to the Racing Office's restricted areas are to have locking devices in place during the taking of entries. The Racing Secretary is to ensure that all visitors to his office are escorted.
24. Notice was taken by the Commission that Soil & Plant Laboratory, Inc. performed a favorable soil analysis on February 10, 2015.
25. The Commission, in its discretion, may determine that additional conditions need to be imposed at this time or at any time during the live meet.

Failure to comply with the applicable conditions prior to or during the 2015 meet may result in a fine, suspension or revocation of the meet license for Racing Associates of Colorado, Ltd., d.b.a. Arapahoe Park.

DATED this 15th day of May 2015.

BY ORDER OF THE COLORADO RACING COMMISSION

s/_____

Dan Hartman, Director, Division of Racing Events

Presentations Regarding Colorado State University Equine Research Fund – Drs.
VandeWoude, Moorman and Frisbie

Dr. Sue VandeWoude, Associate Dean for Research and Graduate Education at the Colorado State University (hereinafter known as “C.S.U.”) College of Veterinary Medicine and Biomedical Sciences, introduced herself and her colleagues, Dr. Valerie Moorman, Assistant Professor in the Department of Clinical Sciences, Equine Orthopedic Research Center; and Dr. Dave Frisbie, Professor at the Equine Orthopedic Research Center, to the Commission.

Dr. VandeWoude explained that the funding provided by the Commission has been extremely beneficial to the University and is essential for the continued growth of the equine research programs there. She informed the Commission that its annual financial contribution is leveraged approximately forty-fold, and, along with the approximate \$2,100,000 in research funds generated by equine researchers and annual donations to equine research programs totaling approximately \$1,500,000 to \$2,000,000, it forms the basis for obtaining grant funding for various research projects. She observed that the Commission’s financial contribution in 2014 racing receipts of approximately \$100,000 has been applied to fund the post-mortem surveillance project with the balance being used to fund “pilot” research projects in horses at Colorado State University. Dr. VandeWoude explained that the Commission’s funding is especially important because it affords researchers at C.S.U. the opportunity to work on projects that larger funding agencies would not accept without prior data to support such efforts. The preliminary data generated are then used to demonstrate to funding agencies that a research plan is realistic and, thus, this data forms the foundation for larger grants for continuation of a research project. She commented that, in order to select the research proposals to be funded, a committee of researchers in the College of Veterinary Medicine and Biomedical Sciences, after receiving input from breed association veterinarians, evaluates the large quantity of research proposals that are submitted for consideration and ranks them in order of merit with funds being distributed to proposals in consideration of rankings and the best use of the available revenue. She noted that this is an extremely competitive process with far more proposals being tendered than can be subsidized. Dr. VandeWoude stated that, for 2014 funds, along with the postmortem project, ten additional proposals were received requesting a total of \$210,000. She commented that the University was able to offer five awards totaling \$84,000 in funding via the competitive proposal process using Commission funds.

Dr. VandeWoude reported that the following equine research projects are currently funded and being performed at C.S.U.: 1) Colorado Racehorse Postmortem Project – Dr. Chris Kawcak; 2) A Novel Surgical Technique for Equine Cervical Fusion – Dr. Jeremiah Easley; 3) Evaluation of freeze-dried autologous-conditioned serum (ACS) for the prevention of pathologic changes in joint tissue exposed to inflammatory conditions – Dr. David Frisbie; 4) Development of Alternative Body Weight Measuring Method for Horses: A Pilot Study – Josie Traub-Dargatz; 5) Comparison of the effects of local anesthetics, alpha-2 agonists and opioids on normal and interleukin-1 conditioned equine articular cartilage explants – Dr. Khursheed Mama; and 6) Comparison of a broad-range 16S rDNA PCR versus traditional microbial culture in the detection of bacterial infections in the equine uterus – Dr. Pat McCue. Dr. VandeWoude expressed her appreciation to the Commission for its ongoing support of and contribution to equine research at Colorado State University. She advised that the following are anticipated activities in 2015: 1) that C.S.U. will continue to offer racetrack visitations/exhibits that were begun in 2011; 2) that the postmortem program management will continue to be funded “up front” and that the reporting mechanism will continue to be standardized; and 3) that additional input on research topics relevant to the Colorado Racing Commission will continue to be provided.

Additionally, Dr. VandeWoude provided the following cumulative data compiled for the 2015 Racing Commission Audit Report for the years 2011-14:

- 51 applications submitted;
- 16 proposals funded (approximately 30% award rate);
- Average grant award: \$19,000;
- Total awarded: -\$304,000;
- Resulted in: \$9.6 million in follow-on research grants + ~\$8 million in follow-on research donations amounting to a nearly 60x fold return on investment.

The following presentations were offered for Commission consideration:

- 1) In the absence of Dr. Chris Kawcak, Dr. Valerie Moorman, one of his associates, presented a status report on the Colorado Racehorse Post-mortem Surveillance Program. She offered a slide presentation illustrating the nature and focus of the research and the materials and methods used in this study. She explained that every horse that died or was euthanized at the Colorado racecourse was submitted for post-mortem analysis and that a full necropsy, along with detailed analysis of the horse’s limbs, was performed. Dr. Moorman stated that, if requested, by the Division of Racing Events, further testing was also undertaken. Further, she advised that the preliminary results were relayed by Dr. Kawcak, a Professor in the Department of Clinical Sciences, Equine Orthopedic Research Center, to the referring veterinarian to ascertain whether there were issues pertaining to potentially contagious diseases. She stated that a detailed necropsy report is submitted after the completion of the histologic examination. However, she noted that it could take several weeks before an official medical record might be received.

Dr. Moorman presented the following statistics concerning the genders, ages and causes of death determined by means of post-mortem examinations conducted in 2014:

Number and breed of horses: 4 Thoroughbreds; 8 Quarter Horses;
Gender: 9 geldings; 3 mares;
Ages: 2 two-year-olds; 3 three-year-olds; 2 four-year-olds; 3 five-year-olds; 1 seven-year-old (1 of unknown age) – average age at time of death = 3.9 years;
Cause of death: catastrophic (musculoskeletal injuries: forelimbs – 8/hindlimb - 1) – 9 cases; colic - 1 case; suspected spinal injury – 1 case; collapse/cardiovascular – 1 case.

Dr. Moorman provided a graph depicting the total number of deaths by racing season from 2000 through 2013 and a table reflecting the deaths/1000 starts and the race and training deaths/1000 starts that occurred at Arapahoe Park from 2009 through 2014. The table indicated that the total number of deaths that occurred in 2014 was considerably higher than usual.

Further, Dr. Moorman enumerated a list of plans for 2015 with regard to the Racetrack Post-mortem Surveillance Program. These include: 1) Preparing a report for the Racing Commission that describes the program and its historical results for dissemination to the racing industry; 2) Performance of pre-emptive tissue collection in case drug screening is requested; and 3) Continuing the use of limbs to improve early diagnosis of injuries via such equipment as the CT scanner and the Osteoprobe, which are less invasive tools than have previously been available and are beneficial in assessments of hoof conformation and hindlimb lameness. Dr. Moorman observed that it is possible to measure the degree of sway in the horse via an iPhone and iPod. Also, the effect of sedation on lameness is being analyzed due to numerous safety concerns. The Commission thanked Dr. Moorman for her excellent report.

- 2) Dr. David Frisbie's slide presentation included aerial perspectives and architectural renderings depicting what will be the new Institute for Biologic Translational Therapies, upon which it is hoped ground-breaking will take place within six months. He advised that the University's vision for this remarkable construction project is to bring outstanding researchers and resources together in a state-of-the-art facility to create the first world-renown institute that leverages basic science in biologic therapy to clinical use. Dr. Frisbie explained that the University's mission is to provide a mechanism for basic science research in the area of biologic therapies, to be further assessed and validated using clinically relevant models and optimized for clinical use. He explained why the concept of such a facility is unique by saying that 1) it

will include a plethora of basic science/rodent animal-model facilities; 2) it will house limited facilities with clinically relevant large-animal models; and 3) there are very few facilities worldwide taking the next step with an entire spectrum of veterinary patients on the way to helping humans. Dr. Frisbie noted that the unique focus of the facility is represented by the acronym “Finding Original Creative Unique Solutions” and, like biologic institutes/centers globally, there will be concentrations on stem cell/regenerative medicine, cancer detection and treatment, endocrine, neurologic and cardiovascular diseases, but the facility at C.S.U. will have a musculoskeletal focus that is lacking globally.

Dr. Frisbie observed that the three key components that will be essential to the Institute’s success in achieving its vision and mission are 1) the personnel; 2) the building; and 3) institute advancement. The Institute’s personnel will be composed of Focus scientific team leaders with special expertise and knowledge in a variety of disciplines, such as biologic techniques (including molecular and protein biology); surgical techniques (development, application and teaching); imaging techniques (development and application); biomechanical/bioengineering techniques (development, evaluation of therapies); model design and analysis; regulatory affairs (development and compliance); human translational medicine (basic science/clinical); and entrepreneurial advancement. The building that will accommodate the Institute’s diverse programs will be a 100,000 square foot state-of-the-art facility housing laboratory space, a surgical center, an imaging center; a didactic teaching center; and offices/conference rooms.

To ensure the Institute’s advancement, both research and operational funds will be needed. The funding will involve collaboration between private donors, Colorado State University and industry partners. Dr. Frisbie provided graphs reflecting 1) the annual funding for personnel expenses and sources of revenue (\$540,000 from private gifts and \$1 million from C.S.U.); 2) funding for the building (\$32.5 million from Philanthropists John and Leslie Malone plus \$20 million unofficial and \$10 million from C.S.U.); and 3) funding institute advancement (\$40 million working endowment from private donors and, from C.S.U., \$1.3 million annually building infrastructure, \$540,000 capital equipment annual contracts as well as allowing the indirect cost return to go back into the operation of the institute.

Dr. Frisbie summarized the eventual benefits that the Orthopedic Research Center will derive with the addition of the Institute for Biologic Translational Therapies: 1) the ability to increase its talent; 2) the provision of additional infrastructure and facilities to more easily obtain its goals; 3) the opportunity to provide improvement/advancement in training for the next generation of scientists/clinicians; 4) resources to fund pilot and feasibility projects and capital equipment that had been unavailable; and 5) an opportunity to take Orthopedic Research Center ideas and technology further based upon a clearer

path to sustainability and new translational therapies. He commented that these benefits will produce a “ripple effect” which will result in the construction of a new equine hospital, bioengineering, a sports medicine and rehabilitation center. Dr. Frisbie enumerated the areas of expertise that represent and form the vision for the equine clinical programs at C.S.U. These include surgery; sports medicine and rehabilitation; internal medicine; critical care; reproduction; field service; diagnostic imaging as well as teaching (students, veterinarians and the industry); research (development and use of new diagnostic and therapeutic methods which are translational into human medicine) and advocacy.

Drs. VandeWoude, Moorman and Frisbie thanked the Commission for the opportunity to appear and report on a sampling of equine research projects being performed at Colorado State University. The Commission expressed its appreciation to each of them for their insights and informative presentations and commended the excellence of the world-renowned faculty and veterinary programs at Colorado State University.

Review of Contents of 2015 Horsemen’s Information Packet – Dan Hartman

Mr. Dan Hartman, Director of the Division of Racing Events, presented and identified each of the documents contained in the “Horsemen’s Information Packet”. He commented that, not only is the packet a reference tool, but it serves as a study guide for new trainers who must take and pass their trainer’s tests. He stated that, upon Commission acceptance, the subject packet would be made available in the Arapahoe Park Division office and would be given to all trainers and other interested parties participating in the upcoming Arapahoe Park race meet when they arrive to obtain or validate their racing licenses. Additionally, the “Horsemen’s Information Packet” will be available in the Arapahoe Park Racing Office and, also, will be placed on the Division’s website for access by all interested owners.

Thereupon, the Commission reviewed the contents of the “Horsemen’s Information Packet”, noting, although the material contained in it remains similar to that in effect in 2014, there are certain notable changes/exceptions: 1) the inclusion of the rules adopted by the Commission at its February 2015 meeting that will become effective on May 15, 2015; 2) changes in the allowable levels of authorized medications; 3) changes to the split sample policy/procedure whereby a laboratory that is approved for split-sample testing by the Division of Racing Event is both accredited by the Racing Testing and Medication Consortium and capable of professionally performing all of the necessary laboratory tests and has responded via electronic mail sent to the Division that they are able to take and test the Split Sample in question and to receive Split Samples for the purpose of confirmation testing. Mr. Hartman advised the Commission that the Division would request a two-day turnaround on Split Sample testing. Mr. Hartman observed that there were no other changes to the 2015 edition of the Horsemen’s Information Packet.

Discussion ensued during which Mr. Hartman advised that, until June 14, 2015, the third week of the race meet, the Division would only issue warnings, but would not impose penalties for overages of the newly reduced Phenylbutazone, Flunixin, Ketoprofen and Furosemide levels. Mr. Hartman commented that this trial period would afford both trainers and practicing veterinarians the opportunity to make dosage adjustments and modifications to administration time frames.

After completing its review and discussion of the contents of the packet and accepting Mr. Hartman's recommendation that it be approved as presented, a motion was made by Commissioner Day, seconded by Commissioner Vail and unanimously carried to accept all of the documents, rules and pertinent supplementary material contained in the "2015 Horsemen's Information Packet" as presented by Mr. Hartman and to direct that the subject packet be made available for distribution as soon as possible with the provision that, at the Division's discretion, there will not be any penalties applied for overages in the levels of Phenylbutazone, Flunixin, Ketoprofen and Furosemide through June 14, 2015, the third weekend of racing.

Mr. Shannon Rushton, Executive Director of the Colorado Horse-Racing Association, requested that, during any future stable inspections, the Division representative conducting the inspection provide a copy of the Horsemen's Information Packet to the affected trainer. The Commission endorsed this recommendation.

Appreciation and Recognition of Commissioner Charles Vail, DVM – Dan Hartman

Mr. Dan Hartman, Director of the Division of Racing Events, presented a plaque and a framed Certificate of Appreciation to Commissioner Charles Vail, DVM on the occasion of the expiration of his second four-year term as a Commission member. Dr. Vail expressed his gratitude for the support given to him by his fellow Commissioners, industry members and Division personnel. Expressions of appreciation were given to Dr. Vail by members of the Commission, Mr. Bruce Seymore, Executive Director of Colorado Operations for Mile High Racing and Entertainment, and Mr. Shannon Rushton, Executive Director of the Colorado Horse-Racing Association.

Adjournment

After determining that there was no further business to consider, the meeting of the Colorado Racing Commission was adjourned at 11:50 a.m.

Next Regularly Scheduled Meeting

The next regularly scheduled meeting of the Colorado Racing Commission will be held on **Tuesday, July 14, 2015** at Arapahoe Park, 26000 East Quincy Avenue, Aurora, Colorado.

The undersigned hereby approve the foregoing Minutes.

MARY SHARON WELLS, CHAIRWOMAN

SEAN BEIRNE, VICE-CHAIR

CHARLES VAIL, DVM, MEMBER

CINDY DAY, MEMBER

(EXCUSED)
PAM INMANN, MEMBER